

# Legislator: Macao should diversify gaming-led economy

Macao – Macao saw its economy unleashed by the booming gaming industry in the past eight years, but further development requires a more diversified economic pattern, said a Macao legislator in an interview with Xinhua on Monday.

„Historically speaking, the special administrative region (SAR) is at the best time for its economic development in the light of its rapid growth in the past eight years,“ said Ieong Tou Hong, a member of Legislative Assembly of the Macao SAR and Board Chairman of Macao Association of Economy Promotion.

Official statistics show that Macao’s annual GDP growth averaged 12.1 percent in the past seven years with per capita GDP exceeding 28,000 U.S. dollars, while foreign direct investment reached 51.94 billion patacas (around 6.4925 billion U.S. dollars) by the end of 2006.

Under the Basic Law, the SAR has maintained its policies of open port and low tax rates, since Macao’s official return to China in 1999, Ieong said, adding that the SAR government has fulfilled its goals of rapid economic growth, high employment rates and relatively low inflation in the past eight years.

However, he pointed out that the booming economy also created some new problems like inflation pressures and highlighted Macao’s shortages of lands, labor forces and high-level talents. Therefore, „the government’s macro-economic policy and gaming industry regulation need to be further improved.“

Following the liberalization of Macao’s gaming industry in 2002, the SAR has attracted large amounts of investments in its gaming, hotel, retail, property and financial industries.

In 2006, Macao’s investment and total gaming income increased

by 39.5 percent and 22 percent respectively compared with 2005, according to official statistics. The signing of Closer Economic Partnership Arrangement in 2003 has also boosted Macao's tourism industry, as visiting tourist number reached 22 million in 2006.

He said, „Macao has a small-scale economy led by its gaming industry... This has inclined Macao's industry development to a single mode. Therefore, the central government has clarified in its 11th Five-Year Program that Macao should properly diversify its economic development.“

Ieong proposed that to diversify the economic development, Macao should improve its cross-border and local transportation in various forms, enhance its cultural industry based on its historical heritage and provide professional services like financing, insurance, accounting, conference and expo, so as to build up the platform for trade and business.

Despite some new issues in Macao's economy, Ieong is still confident that Macao will sustain its rapid development in the future, since investment and tourist arrivals keep increasing and the new round of regional cooperation will bring in new markets and business opportunities to the SAR.